GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2646
ANSWERED ON:08.08.2003
REVENUES OF NAGALAND
K. ASUNGBA SANGTAM

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Union Government was to supplement the revenues of the State of Nagaland out of the Consolidated Fund of India including the funds spent on developmental activities and administrative expenses as agreed to between the Union Government and people of Nagaland and also envisaged under Article 371 A, clause

(c) of the Constitution of India;

(b) if so, the facts thereof; and

(c) the reasons for not supplementing the total expenditure as grant incurred by the Government of Nagaland without any cut as loan?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) Yes, Sir

(b) & (c) The Centarl Government supplements the efforts of the State Government in its development throughreleases under the award of the Finance Commission, and release of Central Assistance for State Plan. The Central Assistance under State Plan is released to the State in the form of 90% Grant and 10% Loan as per the Gadgil formula approved by National Development Council, while the assistance under Finance Commission is released as Non-plan grants. The assistance released to the State Government is credited to the Consolidated Fund of the State. Financial Management of the State is primarily the responsibility of the State Government. The State Governments are accountable to their legislature for proper utilisation of funds through State Audit Report prepared by the C&AG of India under Article 151(2) of the Constitution.